

# Retiree Health Care Insurance Initial Consideration

Washington State Law Enforcement  
Officers' and Fire Fighters' Plan 2  
Retirement Board

June 21, 2006

# Current Situation

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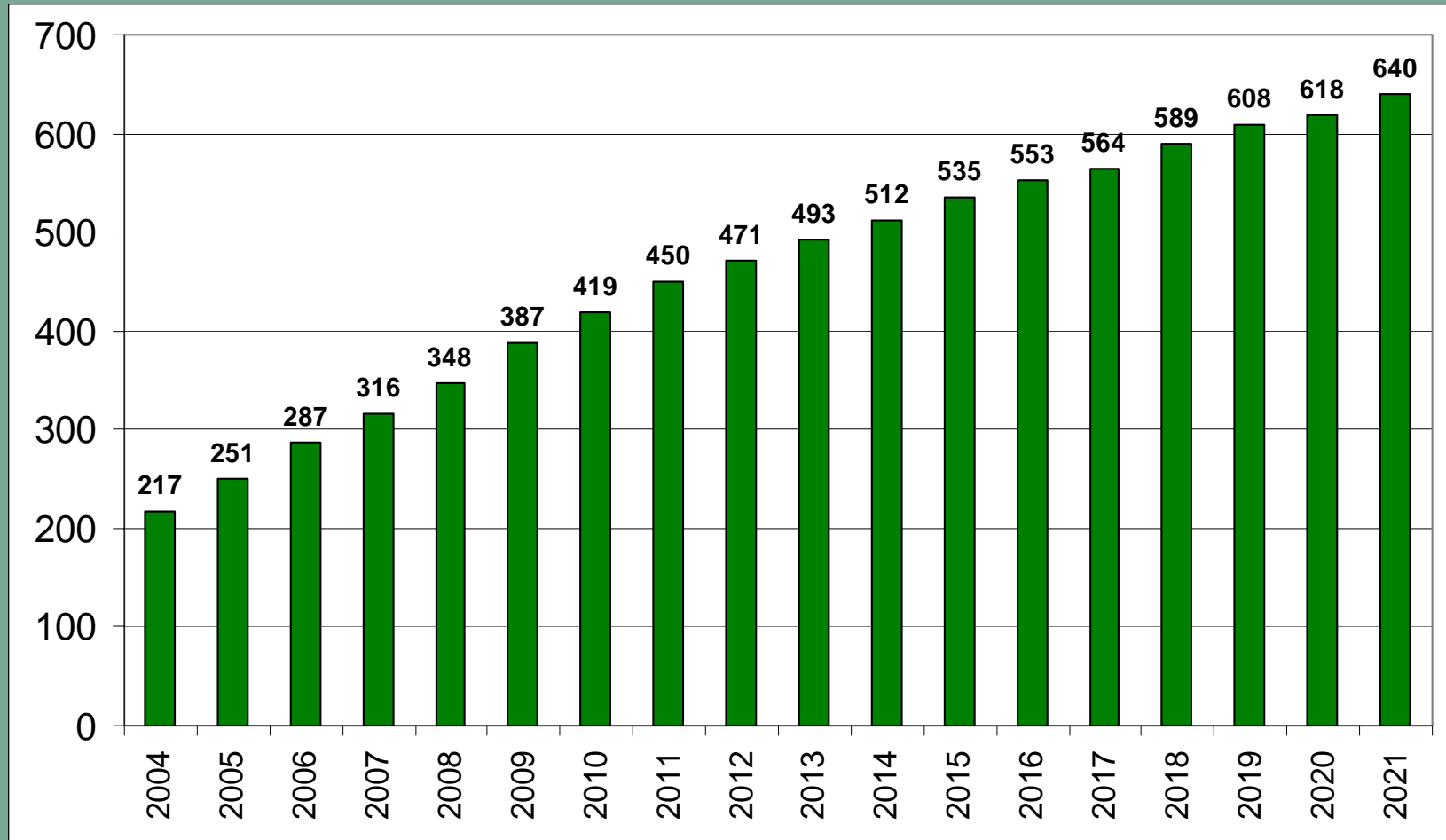
- Retiree health care insurance not a part of LEOFF Plan 2 pension benefits
- Access and benefits vary from employer to employer for LEOFF Plan 2 retirees

# General State of Retiree Health Care

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- Retiree health care expenses take up large piece of pension
- Increasing number of retirees with longer life expectancy
- Access varies
- Increasing health care cost

# LEOFF Plan 2 Retiree Projections



# Increasing Health Care Costs

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- Segal: \$8,360 yr/\$697 mo
- Health care costs growing faster than pensions
- Cost a major reason for no coverage

# Health Care Insurance Policy

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## Two Primary Components

- Access

- Cost

# Access

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## ■ Nationally

- 60% of local government provide access to retiree health care
- 66% of local government providing access contribute to cost

Source: ICMA-RC

# Access

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- LEOFF Plan 2 - 2005 Employer Survey
- 8,180 members (53.9%) work for employers who provide access to retiree health care
- 374 members (2.5%) work for employers who provide access and contribute to the cost

# Comparison States

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- 7 provide access to state provided health care insurance
- 6 provide continuation of employer provided health care insurance
- 1 did not provide access through state or employer

# Recent Legislation

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- HB 1371 (2001) Health Care Access for Survivors
- SB 5777 (2002) Health Care Access for PERS disabled and retired
- HB 2985 (2004) Health Care Access for PERS & LEOFF disabled and retired

# Retiree Health Care Insurance

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Questions?